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Portugal

Grain and Feed

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Report Highlights:

Portugal's 2004 grain harvest will be significantly higher than last year due to improved yields. Wheat production is forecast at 313,000 tons and corn, at 795,000 tons. With improved domestic and European crops, Portugal's imports from the U.S. will likely decline in MY 2004/05: imports of U.S. wheat should return to the "normal" level of around 60,000 tons of high-protein wheat (140,000 tons in 2003/04).

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Madrid [SP1]
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Executive Summary

Portugal's grain area is reported to have remained basically unchanged relative to 2003/04 levels, but the crop will be significantly higher due to much improved winter grain yields. The Portuguese national statistics office (INE) reports that average 2004 yields of durum wheat, soft wheat and oats will be up 60, 35 and 50 percent, respectively, over 2003 levels. Portuguese 2004 grain outputs are forecast at the following levels (in thousand tons, with 2003 levels in brackets): wheat, 313 (203); barley, 20 (9); rye, the only winter grain to have suffered a mild area reduction, 26 (28); and oats, 67 (43). According to producer sources, areas seeded this spring to corn and rice will remain basically unchanged from previous year levels, which suggests milled rice and corn outputs of 102,000 tons and 795,000 tons respectively.

Grain production during the next few years will be heavily influenced by the effects of the 2003 CAP Reform, which will be implemented in Portugal on January 1, 2005. Local authorities have opted for the full subsidy de-coupling of grains, but activity abandonment is to be mitigated by a re-adjustment of the Agro-Environmental Measures (AEM), instituted at EU-level, but country-regulated. Under the revised local AEM regime, total winter grains production may suffer only a mild reduction in the post-CAP Reform period, while corn will likely suffer a much larger decline as it is eligible to comparatively less attractive AEMs. According to producer sources, only corn farmers with yields above 13 tons/hectare will be competitive when subsidy de-coupling comes into place. However, the total decline in production may be smaller, depending on other factors, such as farmers' psychological attitudes and specific economic problems in closing down businesses.

Wheat imports are expected to go up in 2004/05 to 1.19 million tons (1.06 million in 2003/04), recovering from last year's plunge caused by exceptionally tight supply conditions in the wheat market. A larger supply of local winter feed grains will lead to a higher incorporation of wheat, barley and oats into feed, displacing corn. Portuguese imports of other grains in 2004/05 are as follows, in thousand tons, with 2003/04 levels in brackets: corn, 1,209 (1,300); barley, 245 (250); Rye, 24 (23); Oats, 10 (20); Sorghum, 1 (60); Corn, 1,209 (1,300). Milled rice imports in 2004/05 are forecast at 96,000 tons, unchanged from 2003/04.

Total grain imports from the U.S. will tend to be down in 2004/05, due to the effects of higher U.S. export prices. Wheat imports from the U.S. are forecast at 60,000 tons during 2004/05 (140,000 tons in 2003/04). The trade does not expect a repetition of the exceptional last quarter 2003 market conditions, when it was cheaper to bring in zero-duty Spring Wheat from the U.S. than to buy EU feed wheat. U.S. high-quality wheat remains attractive, and the local trade is looking forward to the 2004 U.S. Soft Red, and Hard Red winter wheat crops. The local high-quality wheat market is estimated at some 120,000 tons to 150,000 tons a year, with German improving wheat being the main U.S. competitor. The U.S. share of this market will ultimately depend upon the quality and prices of the 2004 German crop.

Canada is also competitive in the high quality wheat market. Trade sources report that 24,000 tons of Canadian wheat was recently unloaded in the northern port of Leixões. This wheat was sourced from Canada due to attractive prices for specific standards with high P/L ratios and high protein levels. Trade sources quote French wheat at € 179-180/Tons, ex-silo, Lisbon, slightly under-priced by the newly imported Canadian wheat. Sorghum imports of U.S. origin are also expected to come down in 2004/05 from the previous year's 60,000 tons, due to the limited commercial success of the venture. Trade sources report that some of the sorghum that was purchased during the last quarter of 2003 remains unsold, due to the reluctance of feed manufacturers to change their feed mix to incorporate that nontraditional

feed grain. However, total 2004/05 imports of sorghum will ultimately depend on the price ratios of sorghum against competing feed grains, especially corn. Trade sources say that sorghum is presently being sold in Lisbon, ex-silo, loaded on truck for € 162/ton, while corn is being sold for € 178-180/ton.

1 USD = 0.84 €

Commodity Name: Total Wheat

Production, Supply and Distribution Table

PSD Table

Country Commodity	Portugal				(1000 HA)(1000 TONS)	
	2002	Revised	2003	Estimate	2004	Forecast
Market Year Begin	[Old]	[New]	[Old]	[New]	[Old]	[New]
	07-2002		07-2003		07-2004	
Area Harvested	231	230	180	175	0	175
Beginning Stocks	100	54	100	54	0	51
Production	434	434	203	203	0	313
TOTAL Mkt. Yr. Imports	1506	1506	1410	1060	0	1186
Jul-Jun Imports	1506	1506	1410	1060	0	1186
Jul-Jun Import U.S.	47	47	150	140	0	60
TOTAL SUPPLY	2040	1994	1713	1317	0	1550
TOTAL Mkt. Yr. Exports	171	171	115	60	0	100
Jul-Jun Exports	171	171	115	60	0	100
Feed Dom. Consumption	869	869	598	306	0	500
TOTAL Dom. Consumption	1769	1769	1498	1206	0	1400
Ending Stocks	100	54	100	51	0	50
TOTAL DISTRIBUTION	2040	1994	1713	1317	0	1550

Import Trade Matrix

Country	Portugal		
Commodity	Wheat		
Time Period	July/Dec.	Units:	Metric Tons
Imports for:	2002		2003
U.S.	17,950	U.S.	77,374
Others		Others	
France	266,006	France	279,173
U.K.	104,536	U.K.	129,304
Germany	70,347	Germany	59,273
Spain	32,231	Spain	52,757
Other EU	8,498	Other EU	13,117
Ukraine	297,430	Kazakhstan	8,062
Bulgaria	40,041	Latvia	7,244
Russia	34,064		
Kazakhstan	13,480		
Lithuania	6,237		
Total for Others	872,870		548,930
Others not Listed	5,978		0
Grand Total	896,798		626,304

Export Trade Matrix

Country	Portugal		
Commodity	Wheat		
Time Period	July/Dec.	Units:	Metric Tons
Exports for:	2002		2003
U.S.	0	U.S.	0
Others		Others	
Spain	132,451	Spain	36,616
U.K.	2,490	U.K.	8,160
Total for Others	134,941		44,776
Others not Listed	0		0
Grand Total	134,941		44,776

Commodity Name: Durum Wheat

Production, Supply & Distribution Table

PSD Table**Country
Commodity****Portugal
Wheat, Durum**

(1000 HA)(1000 TONS)

	2002 USDA Official [Old]	Revised Post Estimate [New]	2003 USDA Official [Old]	Estimate Post Estimate [New]	2004 USDA Official [Old]	Forecast Post Estimate [New]
Market Year Begin	07-2002		07-2003		07-2004	
Area Harvested	160	188	0	145	0	145
Beginning Stocks	9	9	0	9	0	0
Production	192	348	0	156	0	250
TOTAL Mkt. Yr. Imports	143	52	0	62	0	55
Jul-Jun Imports	143	52	0	62	0	55
Jul-Jun Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	344	409	0	227	0	305
TOTAL Mkt. Yr. Exports	70	63	0	16	0	30
Jul-Jun Exports	70	63	0	16	0	30
Feed Dom. Consumption	90	162	0	36	0	100
TOTAL Dom. Consumption	265	337	0	211	0	275
Ending Stocks	9	9	0	0	0	0
TOTAL DISTRIBUTION	344	409	0	227	0	305

Import Trade Matrix

Country	Portugal		
Commodity	Wheat, Durum		
Time Period	Jul/Dec	Units:	Metric Tons
Imports for:	2002		2003
U.S.	0	U.S.	0
Others	Others		
Spain	18,458	Spain	22,483
France	4,560	U.K.	4,399
Netherlands	1,187	Netherlands	1,674
Germany	537	Germany	1,028
Italy	3	Italy	5
Total for Others	24,745		29,589
Others not Listed	0		0
Grand Total	24,745		29,589

Export Trade Matrix

Country	Portugal		
Commodity	Wheat, Durum		
Time Period	Jul/Dec	Units:	Metric Tons
Exports for:	2002		2003
U.S.	0	U.S.	0
Others	Others		
Spain	60,124	Spain	14,787
Total for Others	60,124		14,787
Others not Listed	0		0
Grand Total	60,124		14,787

Commodity Name: Barley

Production, Supply & Distribution Table

PSD Table**Country
Commodity****Portugal
Barley**

(1000 HA)(1000 TONS)

	2002	Revised	2003	Estimate	2004	Forecast
	USDA	Post	USDA	Post	USDA	Post
	Official	Estimate	Official	Estimate	Official	Estimate
	[Old]	[New]	[Old]	[New]	[Old]	[New]
Market Year Begin	07-2002		07-2003		07-2004	
Area Harvested	11	11	8	10	0	10
Beginning Stocks	9	9	0	9	0	3
Production	20	20	9	9	0	20
TOTAL Mkt. Yr. Imports	288	288	289	250	0	245
Oct-Sep Imports	250	300	290	250	0	245
Oct-Sep Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	317	317	298	268	0	268
TOTAL Mkt. Yr. Exports	9	9	5	2	0	3
Oct-Sep Exports	5	4	5	2	0	3
Feed Dom. Consumption	145	136	130	100	0	102
TOTAL Dom. Consumption	308	299	293	263	0	265
Ending Stocks	0	9	0	3	0	0
TOTAL DISTRIBUTION	317	317	298	268	0	268

Import Trade Matrix

Country	Portugal		
Commodity	Barley		
Time Period	Jul/Dec.	Units:	Metric Tons
Imports for:	2002		2003
U.S.	0	U.S.	0
Others	Others		
Germany	75,918	U.K.	48,766
U.K.	41,559	Germany	39,582
France	37,376	France	34,206
Spain	8,756	Spain	26,619
Netherlands	7,402	Netherlands	7
Total for Others	171,011		149,180
Others not Listed	0		0
Grand Total	171,011		149,180

Export Trade Matrix

Country	Portugal		
Commodity	Barley		
Time Period	Jul/Dec.	Units:	Metric Tons
Exports for:	2002		2003
U.S.	0	U.S.	0
Others	Others		
Spain	7,181	Spain	681
Total for Others	7,181		681
Others not Listed	0		0
Grand Total	7,181		681

Commodity Name: Rye

Production, Supply & Distribution Table

PSD Table**Country****Portugal****Commodity****Rye**

(1000 HA)(1000 TONS)

	2002	Revised	2003	Estimate	2004	Forecast
	USDA	Post	USDA	Post	USDA	Post
	Official	Estimate	Official	Estimate	Official	Estimate
	[Old]	[New]	[Old]	[New]	[Old]	[New]
Market Year Begin	07-2002		07-2003		07-2004	
Area Harvested	34	34	34	32	0	30
Beginning Stocks	0	0	0	0	0	0
Production	34	34	28	28	0	26
TOTAL Mkt. Yr. Imports	20	20	27	23	0	24
Oct-Sep Imports	20	20	27	15	0	24
Oct-Sep Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	54	54	55	51	0	50
TOTAL Mkt. Yr. Exports	0	0	0	0	0	0
Oct-Sep Exports	0	0	0	0	0	0
Feed Dom. Consumption	0	14	0	11	0	10
TOTAL Dom. Consumption	54	54	55	51	0	50
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	54	54	55	51	0	50

Import Trade Matrix**Country** Portugal**Commodity** Rye

Time Period Units:
 Imports for: **2003**
 U.S. U.S.
 Others Others

Spain	4,743	Spain	7,663
Italy	1,504	Germany	6,939
Germany	1,028	Other EU	81
Ukraine	5,189		

Total for Others 12,464 14,683
 Others not Listed
 Grand Total 12,464 14,683

Export Trade Matrix**Country** Portugal**Commodity** Rye

Time Period Units:
 Exports for: **2003**
 U.S. U.S.
 Others Others

Total for Others 0 0
 Others not Listed
 Grand Total 0 0

Commodity Name: Oats

Production, Supply and Distribution Table

PSD Table**Country****Portugal****Commodity****Oats**

(1000 HA)(1000 TONS)

	2002		2003		2004	
	USDA	Revised	USDA	Estimate	USDA	Forecast
	Official	Post	Official	Post	Official	Post
	[Old]	Estimate	[Old]	Estimate	[Old]	Estimate
		[New]		[New]		[New]
Market Year Begin	07-2002		07-2003		07-2004	
Area Harvested	57	57	65	57	0	60
Beginning Stocks	0	0	0	0	0	0
Production	61	61	43	43	0	67
TOTAL Mkt. Yr. Imports	14	14	15	20	0	10
Oct-Sep Imports	14	15	15	20	0	10
Oct-Sep Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	75	75	58	63	0	77
TOTAL Mkt. Yr. Exports	0	0	0	0	0	2
Oct-Sep Exports	0	0	0	0	0	2
Feed Dom. Consumption	28	40	11	28	0	40
TOTAL Dom. Consumption	75	75	58	63	0	75
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	75	75	58	63	0	77

Import Trade Matrix**Country** Portugal**Commodity** Oats

Time Period

July/Dec

Units:

Metric Tons

Imports for:

2002

2003

U.S.

U.S.

Others

Others

U.K.	7,433	U.K.	8,573
Spain	1,101	Spain	4,058
Other EU	33	Other EU	6

Total for Others 8,567 12,637

Others not Listed 0 0

Grand Total 8,567 12,637

Export Trade Matrix**Country** Portugal**Commodity** Oats

Time Period

July/Dec

Units:

Metric Tons

Exports for:

2002

2003

U.S.

U.S.

Others

Others

Spain	324	Spain	171

Total for Others 324 171

Others not Listed 0 0

Grand Total 324 171

Commodity Outlook, Sorghum

Production, Supply & Distribution Table

PSD Table

Country

Commodity

Portugal
Sorghum

(1000 HA)(1000 TONS)

	2002	Revised	2003	Estimate	2004	Forecast
	USDA	Post	USDA	Post	USDA	Post
	Official	Estimate	Official	Estimate	Official	Estimate
	[Old]	[New]	[Old]	[New]	[Old]	[New]
Market Year Begin	07-2002		07-2002		07-2002	
Area Harvested	0	0	0	0	0	0
Beginning Stocks	0	0	0	0	0	0
Production	0	0	0	0	0	0
TOTAL Mkt. Yr. Imports	1	1	100	60	0	1
Oct-Sep Imports	1	1	100	60	0	1
Oct-Sep Import U.S.	0	0	100	60	0	0
TOTAL SUPPLY	1	1	100	60	0	1
TOTAL Mkt. Yr. Exports	0	0	0	0	0	0
Oct-Sep Exports	0	0	0	0	0	0
Feed Dom. Consumption	0	1	100	60	0	1
TOTAL Dom. Consumption	1	1	100	60	0	1
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	1	1	100	60	0	1

Commodity Name: Rice, Milled

Production, Supply & Distribution Table

PSD Table**Country
Commodity****Portugal
Rice, Milled**

(1000 HA)(1000 TONS)

	2002 USDA Official [Old]	Revised Post Estimate [New]	2003 USDA Official [Old]	Estimate Post Estimate [New]	2004 USDA Official [Old]	Forecast Post Estimate [New]
Market Year Begin	07-2002		07-2003		07-2004	
Area Harvested	25	25	25	25	0	25
Beginning Stocks	25	25	25	30	20	30
Milled Production	102	102	102	102	0	102
Rough Production	146	146	146	146	0	146
MILLING RATE (.9999)	0,7	0,7	0,7	0,7	0	0,7
TOTAL Imports	95	102	91	96	0	96
Jan-Dec Imports	86	92	91	99	0	96
Jan-Dec Import U.S.	0	0	1	1	0	1
TOTAL SUPPLY	222	229	218	228	20	228
TOTAL Exports	11	11	10	9	0	8
Jan-Dec Exports	9	0	10	3	0	8
TOTAL Dom. Consumption	186	188	188	189	0	190
Ending Stocks	25	30	20	30	0	30
TOTAL DISTRIBUTION	222	229	218	228	0	228

Import Trade Matrix

Country	Portugal	
Commodity	Rice, Milled	
Time Period	July/Dec	Units: Metric Tons
Imports for:	2002	2003
U.S.	0	0
Others	Others	
Spain	19,640	Spain 24,452
France	4,885	Netherlands 2,627
Other EU	1,487	Other EU 689
Guiana	26,142	Guiana 22,851
Suriname	2,978	Suriname 480
Thailand	961	Uruguay 465
		Cuba 221
Total for Others	56,093	51,785
Others not Listed	430	1,311
Grand Total	56,523	53,096

Export Trade Matrix

Country	Portugal	
Commodity	Rice, Milled	
Time Period	July/Dec	Units: Metric Tons
Exports for:	2002	2003
U.S.	7	5
Others	Others	
Belgium	3,950	Belgium 4,115
Spain	1,385	Spain 662
U.K.	228	Other EU 170
Other EU	156	Angola 84
Angola	131	
Total for Others	5,850	5,031
Others not Listed	29	43
Grand Total	5,886	5,079

Commodity Name: Corn

Production, Supply & Distribution Table

PSD Table**Country****Commodity****Portugal
Corn**

(1000 HA)(1000 TONS)

	2002	Revised	2003	Estimate	2004	Forecast
	USDA	Post	USDA	Post	USDA	Post
	Official	Estimate	Official	Estimate	Official	Estimate
	[Old]	[New]	[Old]	[New]	[Old]	[New]
Market Year Begin	07-2002		07-2003		07-2004	
Area Harvested	139	139	139	139	0	139
Beginning Stocks	210	210	210	205	0	200
Production	790	795	711	794	0	795
TOTAL Mkt. Yr. Imports	1073	1073	1168	1300	0	1209
Oct-Sep Imports	1060	1116	1168	1300	0	1209
Oct-Sep Import U.S.	0	1	0	0	0	0
TOTAL SUPPLY	2073	2078	2089	2299	0	2204
TOTAL Mkt. Yr. Exports	10	10	9	4	0	4
Oct-Sep Exports	9	7	9	4	0	4
Feed Dom. Consumption	1743	1753	1790	1985	0	1890
TOTAL Dom. Consumption	1853	1863	1900	2095	0	2000
Ending Stocks	210	205	180	200	0	200
TOTAL DISTRIBUTION	2073	2078	2089	2299	0	2204

Import Trade Matrix

Country	Portugal		
Commodity	Corn		
Time Period	July/Dec	Units:	Metric Tons
Imports for:	2002		2003
U.S.	0	U.S.	0
Others		Others	
France	289,104	France	228,659
Spain	40,972	Spain	43,952
Germany	2,757	Germany	22,907
Other EU	97	Other EU	101
Argentina	92,827	Argentina	202,753
		Brazil	61,200
Total for Others	425,757		559,572
Others not Listed	432		134
Grand Total	426,189		559,706

Export Trade Matrix

Country	Portugal		
Commodity	Corn		
Time Period	July/Dec	Units:	Metric Tons
Exports for:	2002		2003
U.S.	0	U.S.	0
Others		Others	
Spain	7,469	Spain	2,390
Other EU	0	Other EU	0
Total for Others	7,469		2,390
Others not Listed	166		138
Grand Total	7,635		2,528